

The Senate proceeded to consider the bill.

PRIVILEGE OF THE FLOOR

Mr. ROTH. Mr. President, I ask unanimous consent that the following Finance Committee staff members be granted full floor access for the duration of floor consideration of S. 949, the Revenue Reconciliation Act of 1997.

I include Mark Prater, Doug Fisher, Brig Gulya, Sam Olchyk, Rosemary Becchi, Tom Roesser, Joan Woodward, Julie James, Dennis Smith, and, in addition, I request full floor access for Ashley Miller and John Duncan of my personal staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, earlier this month I read an article by Dana Mack, a mother and the author of a new book, "The Assault on Parenthood: How Our Culture Undermines the Family." It was powerfully persuasive. Her thesis was that parents today love their families as much as, if not more than, ever—that today's parents are attentive and even more committed than those of an earlier generation but that they are pressed economically.

In her studies, Ms. Mack discovered that the most serious challenges faced by parents today are economic challenges.

Listen to her statistics. It costs the average American couple today twice—twice—the proportion of their yearly household income to pay the mortgage than it cost their parents; average Federal income payroll taxes rose from 2 percent of family earnings in 1950 to 24 percent in 1990; health costs have skyrocketed in the past 20 years, sending 4 to 5 million women to work for medical insurance alone.

Consider these statistics along with the one that has been repeated often in the debate over real tax relief—that American families pay more in taxes than they do for food, clothing, and shelter combined—and it becomes apparent how important this Taxpayer Relief Act of 1997 is. Tax relief is no longer a partisan issue, and I was encouraged by the spirited cooperation that was exhibited in the Senate Finance Committee as we deliberated and then reported this bipartisan bill out of committee.

Such a bipartisan effort allows me to stand on the floor and say without hype or hyperbole that today is, indeed, a historic day. It is historic because this proposal is truly bipartisan, and, as a consequence, Americans can look forward to their first significant tax cut in 16 years. It is historic because the Taxpayer Relief Act of 1997 is part of a budget reconciliation that will lead our Nation to a balanced budget in 2002.

And because of our efforts to ensure bipartisan cooperation, the Finance Committee bill we consider today contains a balanced and fair package of tax relief measures. It includes proposals important to both Democrats and Republicans, and it is structured to

provide major tax relief—relief to America's hard working and overburdened families.

There were three criteria that guided our work. We wanted tax relief for middle-income families, tax relief to promote education, and tax relief to stimulate economic growth, opportunity, and jobs.

With these objectives in mind, we crafted a bill that includes a \$500 per child tax credit, and an increase in the exemption amount for purposes of the alternative minimum tax, a provision that will save millions of middle-income families from experiencing the headaches of AMT.

We crafted a bill that contains tax measures to assist students and their parents in affording the cost of post-secondary education. These include the \$1,500 Hope scholarship tax credit, a \$2,500 student loan interest deduction, and a permanent extension of the tax-free treatment of employer-provided educational assistance.

We also included the tax-free treatment of State-sponsored prepaid tuition assistance plans, a new education IRA serving both education and retirement needs, tax incentives for teacher training and school construction, and a repeal of the tax exempt bond cap.

To promote savings, investment, and economic growth, we expanded IRA's. We did this by doubling the income limits on the tax deductible IRA so that more families can set up an IRA. We expanded the spousal IRA. For the first time, homemakers will be able to save up to \$2,000 annually regardless of their spouse's participation, in an employer pension plan. And we also created a new nondeductible IRA Plus account. A very important part of this IRA Plus is that it will allow penalty-free withdrawals for first-time home purchases and periods of long-term unemployment. And to promote investment and jobs we included a capital gains tax cut, dropping the top rate to 20 percent. This will create new incentives for venture capital.

For families, this bill offers relief from the estate tax, the tax that can rob a family of its farm or business when a father or mother passes away. To help these families, we raise the unified credit to \$1 million per estate by 2006, and we provide tax-free treatment for family-owned farms and businesses for up to \$1 million.

Each of these is an important step, Mr. President. The fact that these were included in a bipartisan proposal indicates that business as usual is changing in Washington. The Senate is willing to lay aside partisan politics to provide Americans with the kind of tax relief they need.

As with any bipartisan effort, not everyone will be fully satisfied with this proposal. For my part, I would like to see greater tax relief, and I consider this the first in a series of steps that I hope will lead to deeper tax cuts and eventual long-term reform. But this bipartisan effort signals an important be-

ginning, one which is built upon a foundation of principles we share, whether we be Republican or Democrat.

Eighty-two percent of this tax relief is made up by our family tax cut and education assistance, priorities that we all share. As I have said, it represents the biggest tax cut in 16 years, tax relief that is focused on middle-income families.

But beyond these major tax cuts, our proposal contains a number of important smaller items. These include the extension of certain expiring tax provisions. For example, we extend the R&D tax credit, a credit that helps our exporters compete in world markets to maintain our leading edge in several key industries.

We make the orphan drug credit permanent and allow for contributions of full value of appreciated stock to charitable foundations. We also extend and expand the work opportunity tax credit to assist welfare recipients and others in getting jobs.

The Taxpayer Relief Act of 1997 contains a package of measures to help the District of Columbia get on its feet, including a reduced capital gains tax rate and a first-time homebuyer tax credit. It contains a guaranteed and secure source of funding for Amtrak to enable our national rail passenger system to move to privatization. And it also has a measure allowing taxpayers to expense the cost of cleaning up brownfields, as well as several measures to help taxpayers who have been victims of floods in the Upper Midwest. And finally, we offer tax simplification in the pension, individual, foreign, and small business areas.

Mr. President, this package includes several revenue raisers that partially offset the cost of the tax cut. The most prominent is an extension and improvement of the funding stream for our national aviation system and a 20-cent tax on cigarettes. Beyond these, we close loopholes in the foreign tax area, as well as in the area of corporate-owned life insurance and tax shelter reporting.

I wish to express my sincere appreciation for the spirit of bipartisanship that prevailed as we crafted this tax relief package. It has been a successful, productive experience because we have worked together, taking the recommendations and concerns of each member of the Finance Committee, as well as the recommendations of our colleagues outside of the committee, and we have put together a package that is workable, a package that will go a long ways toward offering relief, especially to America's overburdened middle class.

Now, I realize that in the course of debating this proposal in the Chamber there will be those who stand against this bipartisan bill. In a partisan effort, there will be those who attack this tax relief bill. Before they begin their arguments, however, I want to put them on notice. I want them to understand that the lion's share of the